whether Government would consider to fix the rate of service tax between 12.5 per cent to 7 per cent in order to check inflation;

if so, by when; and

if not, what will be the extent of loss of revenue to Government as a result thereof alongwith the details thereof, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Inflation measured in terms of wholesale Price Index reached 7.33 per cent as on April 12, 2008. Increase in prices of coal, mineral oil products, iron ore, and basic metals and alloys comprising iron and steel, foundries for casting and forgings and pipes and wires were among the factors contributing to inflation in recent weeks.

Service tax is levied at the rate of 12 per cent of the value of taxable services. CENVAT rate for manufactured goods is 14 per cent. It is the policy of the Government to converge the rates between goods and services consistent with the Government's declared intention of moving towards a composite Goods and Services Tax (GST) by April 2010. Service tax paid on services used as inputs in the manufacture of excisable goods is available as credit and is only a pass-through. At present, there is no proposal under consideration of the Government to revise the applicable rate for levy of service tax.

Farmers' Debt Relief Fund

3755. SHRIMATI SUPRIYA SULE:
SHRIMATI KANIMOZHI:

Will the Minister of FINANCE be pleased to state:

whether giving a decisive push to implement the controversial Rs. 60,000 crore farm loan waiver scheme, Government has decided to set up a Fanners' Debt Relief Fund with an initial corpus of Rs. 10,000 crore;

if so, whether Government would initiate to provide-Rs. 10,000 crore to the fund which has been earmarked in the Supplementary Demands for Grants for 2007-08; and

whether the fund would further be augmented by another Rs. 50,314 crore in next four years to compensate banks and other lending institutions on account of losses resulting from bad debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. A Farmers' Debt Relief Fund has been created with an initial corpus of Rs. 10,000 crore in March 2008.

The Fund is to be augmented, as required, for reimbursing the Scheduled Commercial Banks, Regional Rural Banks and Cooperate Credit Institutions against the amount of debt waiver/relief granted by them as per the approved debt waiver and debt relief Scheme for farmers. As per present estimates, the Fund would be augmented by another Rs. 50,314 crore upto June 2011.

Mandate for collecting Education Cess

6. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state: ie

mandate for collecting the Education Cess;

the method of delegating the funds out of this corpus; and

the annual collection under the Education Cess during the last three years and the details of annual disbursal of funds out of Education Cess?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Education Cess is levied as per provisions of Finance (No. 2) Act, 2004 to provide and finance universalized quality basic education.

The proceeds of the Education Cess are credited into a non lapsable fund called Prarambhik Shiksha Kosh. The amounts in the Prarambhik Shiksha Kosh are being utilized for (a) Sarva Shiksha Abhiyan and (b) Mid-day Meal Scheme each year after exhausting the Gross Budgetary Support allocated by the Planning Commission for these schemes.

The details of annual collection under the Education Cess during the last three years and annual disbursal of funds out of Education Cess are given in the Statement.

Statement

Details of collection of Education Cess during the last three years

(Rs. in crore)

Year	Direct Taxes	Indirect Taxes
2005-2006	3307.32	3827
2006-2007	4554.26	4642'
2007-2008	5606.04 (Apr-Dec)	3646 (Apr 07-Jan 08)

Figures are provisional

Details of disbursal of funds out of the Education Cess

(Rs. in crore)

Year	Major Head	SSA	MDM	Total
2005-2006	**	**	**	' **
2006-2007		5830.67	2911.00	8741.67
2007-2008		7547.36 (as on 30.3.08)	2369.80 (as on 30.3.08)	9917.16

** Since the Scheme,-regarding Prarambhik Shiksha Kosh, in which the proceeds of education cess are credited, became operational in 2006-07 only, no expenditure from the proceeds of Education Cess was booked on SSA and MDM prior to 2006-07.

Hiking of credit and loan limits

3757. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

whether in view of pitiable plight of farmers in the country, Government has decided to raise the credit/loan limits, during the current fiscal year;

if so, the details thereof;